

GAO

142 740

SF-067

August 1990

# **Performance Appraisal Supervisory Guide**

THE UNIVERSITY OF CHICAGO PRESS

THE UNIVERSITY OF CHICAGO PRESS

# Performance Appraisal Supervisory Guide

---

## Performance Management

Performance management is the process of discussing, monitoring, and developing employee performance throughout the year. The performance appraisal systems in GAO are the key tools successful supervisors use to implement performance management; to develop human resources; and to achieve agency, unit, and individual goals.

Performance appraisal systems help supervisors manage performance by

- using human resources efficiently;
- increasing commitment to work group and agency goals;
- communicating clear performance expectations and standards;
- making informed award, promotion, or other human resource decisions;
- identifying training needs; and
- creating individual development plans.

The usefulness and success of the systems ultimately depend upon how effectively supervisors use them. This booklet will help supervisors understand the performance management cycle so they can acquire and refine the skills needed to manage and develop their staffs. Specifically, this guidance will help supervisors successfully

- give clear performance expectations;
- help employees understand and support agency and unit goals;
- create a team environment;
- track performance and goal accomplishment;
- focus on job-related behaviors and avoid common rating errors;
- identify employee strengths and developmental needs; and
- provide specific, balanced, and constructive feedback.

Following these suggestions aids supervisors in effectively managing and developing their staffs,

---

making the most of their key resource—the human resource.

---

---

## The Performance Management Cycle

Although formal performance appraisal usually occurs once a year, performance management is ongoing. To be successful, this process requires input from both the supervisor and the employee. It incorporates six steps, which are discussed below.

---

### Step 1: Setting and Communicating Expectations

Setting and communicating expectations start the performance management cycle. Once performance standards are set, discussing them with employees lays the foundation for effective employee performance and successful performance management. Talking with an employee at the beginning of the appraisal period provides supervisors an opportunity to

- clearly tell an employee what is expected of him or her,
- explore and discuss an employee's development needs and opportunities, and
- work with an employee to set individual goals.

To make this meeting a productive one, supervisors should follow these guidelines:

- **State the purpose of the session.** Describing what is to be accomplished during the session helps the supervisor and employee focus their efforts to work together effectively.
- **Discuss the selected performance dimensions.** Discussing the selected dimensions for the current appraisal period helps the employee understand exactly what the supervisor expects of him or her.
- **Outline expectations.** This discussion should produce a clear understanding of performance expectations and provide an opportunity to talk about possible steps for achieving these expectations. At this point, the supervisor and employee may discuss how the selected dimensions apply specifically to

the employee's job activities and responsibilities. Involving the employee in this way encourages him or her to take an active role in improving performance.

---

**Step 2:  
Conducting  
Progress Reviews**

Another aspect of the performance management cycle is providing feedback through progress reviews. Although supervisors can give feedback by simply telling an employee that he or she is doing a good job, it is important to set aside time to discuss an employee's progress or any problems he or she may be having on the job. Progress review sessions present an excellent opportunity to check progress toward goals, allowing a supervisor to address problems and recognize good work. Such sessions also convey a commitment to employees' success. Effective feedback is specific, balanced, and constructive. Specific feedback tells an employee exactly what is good or problematic about his or her performance. When giving feedback, a supervisor should cite examples that are objective and detailed enough to convey to the employee what to do differently.

Balanced feedback stresses positives as well as negatives. For example, although an employee might do exceptional work, a supervisor can usually provide some tips to further refine an employee's skills or prepare him or her for increased responsibility. In cases of poor performance, discussing things an employee does effectively, as well as problem areas, will help keep him or her motivated and may identify strengths that can be used to develop weaker areas.

Supervisors should give performance feedback as problems or successes occur so that it will be pertinent to current efforts and so that problems will be addressed immediately. Dealing with performance problems once a year at the performance review often proves unproductive and discouraging for the employee.

---

### Step 3: Employee Listing of Contributions

Before the supervisor prepares the performance appraisal, employees may provide information on their significant contributions during the year related to selected performance dimensions and submit it to their supervisors. This is the opportunity for employees to highlight examples of their work products or accomplishments.

---

### Step 4: Rating Performance

A crucial step in the performance management cycle is rating employee performance. Supervisors can make several common "errors" in rating performance. Although the performance appraisal procedures and standards were designed to reduce the effects of these errors, supervisors should be aware of these potential pitfalls:

- **Halo error:** This error occurs when a supervisor rates an employee the same on all dimensions based on an overall impression of the employee. This often occurs because the supervisor does not clearly understand what each dimension covers. A supervisor rates each employee on several different dimensions. Most likely, each employee will be strong in some areas and need improvement in others. Thus, a supervisor should consider each dimension separately and avoid rating an employee the same on all dimensions.
- **Single-time error:** This type of error occurs when a supervisor lets a single or recent event overly influence a rating. When rating performance, a supervisor should reflect on the entire appraisal period and base the ratings on all observations of an employee's performance. If a supervisor relies on just one or two events, he or she is probably making an error.
- **Stereotype error:** This error occurs when a supervisor is influenced by factors other than an employee's performance-related activities. Considering appearance, education, family background, and other personal characteristics not directly related to performance can bias the ratings. In rating an employee's performance, a supervisor

should base all ratings strictly on what the employee has done during the appraisal period. A supervisor should try to ignore everything else (positive or negative) that is known about the employee. Carefully reviewing the standards will also help supervisors focus solely on performance-related information.

- **Same-level-of-effectiveness error:** Sometimes supervisors give all employees the same rating on a dimension, even when employees' effectiveness in this dimension differs. A supervisor should know who is performing more effectively and less effectively in a given area. Since employees have varying strengths and developmental needs, differences in the ways employees perform in a given area are likely. The ratings should reflect these differences.

In addition to being aware of and avoiding these pitfalls, supervisors should focus on employee behavior throughout the rating process. Objective and accurate ratings are based on specific, job-related behavior. The performance standards for each dimension describe performance-related behavior and therefore help supervisors to consider only appropriate, performance-related information in rating employees.

---

## Step 5: Reviewing the Performance Appraisal

Once a supervisor has completed the ratings, he or she gives a copy of the ratings to the reviewing official who reviews the appraisal to make sure standards are applied fairly and consistently. The reviewing official requests additional information, if necessary, and resolves any disagreements with the supervisor. The supervisor then gives a copy of the appraisal to the employee for review.

---

**Step 6:  
Conducting the  
Performance  
Appraisal Session**

Performance appraisal reviews can be uncomfortable for both supervisors and employees. A supervisor must act as judge and helper, rating an employee's performance and discussing strengths and areas needing improvement. Yet, at the same time, a supervisor tries to establish a two-way discussion so the two can work together to develop an employee's skills. An employee often wants to discuss obstacles, problem areas, and possible solutions but does not want to jeopardize promotions, pay increases, or self-esteem. This may make an employee defensive when discussing job performance with a supervisor and therefore unable to listen effectively and admit a need for improvement.

How should supervisors address both the employee's need for feedback and GAO's need to rate employees without *damaging employees' self-esteem or confidence*? One solution is to make the performance appraisal session a two-way discussion. The supervisor should focus on improving future performance rather than on past errors. This is less threatening to the employee and helps address any problems. Supervisors should use the following steps for conducting effective performance reviews:

**1. Put the employee at ease.** Not surprisingly, an employee can be tense, unsure, and uncomfortable before a performance appraisal session, making contributing to the discussion extremely difficult. *As a result, the discussion often becomes a one-way lecture by the supervisor.* A brief comment about some casual topic such as the employee's interests helps relieve the tension and establishes a more open atmosphere.

**2. State the purpose of the session.** This session provides an occasion to talk about the employee's job performance and to provide an opportunity for the supervisor to determine ways to help the



employee. A supervisor should not use the performance appraisal as a disciplinary tool but should offer ongoing feedback and coaching when a problem or inadequate performance occurs. The performance appraisal discussion is a review—not a first notice of poor performance.

**3. Ask for the employee's view of the work situation.** This demonstrates to the employee that performance appraisal is a joint effort. This way, a supervisor also learns how an employee feels about the work environment and his or her point of view. It may also identify obstacles to good performance or suggest ways to improve performance.

**4. Recognize desirable behavior.** A supervisor should begin the appraisal session by discussing the performance areas in which the employee has performed well. A supervisor should emphasize improvements resulting from previous performance discussions, discuss high ratings on the dimensions, and describe exactly what the employee did to deserve recognition.

**5. Identify performance dimensions needing improvement.** The employee's discussion of the work situation should introduce this part of the session. A supervisor should discuss those dimensions in which the employee feels he or she needs improvement. If the employee mentions some or all of the performance areas, a supervisor's task is simply to reinforce the employee's views and then discuss solutions. If the employee does not mention dimensions needing improvement, a supervisor should discuss those as well.

A supervisor should review the rationale for any low ratings, focusing on those ineffective behaviors that warranted the rating. Focusing on behaviors helps to support the rating and to reduce employee defensiveness by keeping the discussion objective. The employee is more likely to listen to this type of information, which is also more useful than vague

or unsubstantiated impressions. In addition, explaining exactly why ineffective behaviors should cease helps the employee understand the impact of his or her actions. For example, the supervisor might discuss the effects of the behavior on other employees. The supervisor should ask for and listen to the employee's reasons for substandard performance. This may provide the supervisor with new information and shows the employee that the supervisor values the employee's input and wants to help him or her succeed.

**6. Explore steps to improve performance.** The supervisor should choose three or four dimensions for the employee to concentrate on during the next appraisal period. Behavior is difficult to change. Discussing more than three—or at most four—areas can overwhelm the employee and lead to no improvement in any area. Asking for the employee's input and discussing his or her ideas on improving performance helps make it a joint effort and encourages the employee's commitment to actively improving performance. The supervisor should not press for immediate, unrealistic solutions but assure the employee of his or her interest in the employee's success.

**7. End on a positive note.** The supervisor should express confidence in the employee and enthusiasm for their working together during the next year.

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1862. It is a very important document, as it contains the President's annual message to Congress. The letter is written in a formal, dignified style, and it is one of the most important documents in the history of the United States. It is a document that has been read and studied by many generations of Americans, and it is a document that has shaped the course of our nation's history.

-----

1

-----